

HEALTH *watch*

HCFA's Education Project Set to Reach Doctors and Other Providers Nationwide

Last month HCFA Administrator Nancy-Ann Min DeParle said the expansion of an innovative national education program will help doctors and other health-care providers understand Medicare's billing procedures properly.

The \$1.3 million training campaign features interactive computer courses — to allow providers to study specific topics about Medicare policies to ensure accurate claims.



Other components of the campaign include hands-on training on Medicare procedures for medical residents as well as seminars for physicians and other providers about Medicare benefits, coverage and billing rules.

"Physicians want what we want — for them to get paid fairly for the quality services that they provide to more than 39 million Americans covered by Medicare," DeParle said. "This campaign will help make sure that beneficiaries get the care that they need and that doctors get paid correctly."

The education campaign builds on the success of a 1998 13-state pilot project,

See **Education**, page 5

<http://www.hcfa.gov/init/children.htm>

Construction of HCFA's New Medicaid and CHIP Outreach Web Site Is Completed

The Health Care Financing Administration is pleased to announce its new Outreach webpage that can be accessed through HCFA's Children's Health Insurance Program (CHIP) web site (<http://www.hcfa.gov/init/children.htm>). The webpage includes **Information for Families** through the Insure Kids Now web site (<http://www.insurekidsnow.gov>) and an Outreach Information Clearinghouse which provides HCFA's partners a forum to share their experiences regarding CHIP outreach activities. A description of what can be found on the new webpage follows.

Information for Families

The Information for Families section of the outreach webpage houses the Insure Kids Now web site. It links parents to a state's specific eligibility and enrollment information. The site also offers parents a phone number to call for information on children's health insurance coverage in their state, information on how to apply for coverage, and guidelines to determine if children qualify for a specific state's program. In addition, users can see and hear messages from the First Lady Hillary Rodham Clinton, Secretary Donna Shalala of the Department of Health and Human Services (HHS), the nation's governors and other messages about the importance of health insurance for children.

Outreach Information Clearinghouse

The Outreach Information Clearinghouse provides HCFA's partners, as well as other interested parties, a forum for exchanging their outreach experiences with one another. A description of the current links that can be found at this new site follows.

Outreach	Explanation
Strategy Corner	This category is designed to encourage all interested parties to share outreach successes, strategies and challenges so that all states and community-based organizations and others engaged in outreach can provide a capsule description of their efforts as well as contact information for further details.
Effective Strategies	This item provides descriptions of successful state practices that may be adapted and utilized to reach uninsured children in other state programs. Tools and guides to assist in outreach are also included.

See **Outreach**, page 3



The *HCFA Health Watch* is published monthly, except when two issues are combined, by the Health Care Financing Administration (HCFA) to provide timely information on significant program issues and activities to its external customers.

NANCY-ANN MIN DEPARLE
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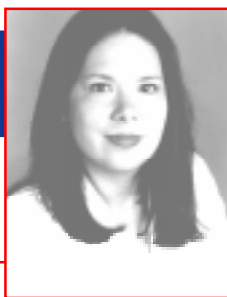
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Webmasters:

Are you interested in helping the Department of Health and Human Services with its Electronic Public Service Announcement on a Smoke-Free Kids health message? For further information, surf

www.smokefree.gov/agree.html



Message from the Administrator

NANCY-ANN MIN DEPARLE

NOTHING WE DO AT HCFA is more important than making sure beneficiaries have quality care and reliable information to make decisions about their care. Beneficiaries are at the heart of our decisions and activities.

That's why I'm pleased with the progress of our unprecedented education campaign for more than 39 million seniors and disabled Americans who rely on Medicare.

In the fall, we will send new *Medicare & You* handbooks to the homes of every beneficiary. The booklet improves on the 1999 version, which we mailed to beneficiaries in five states last year.

We also have a new guide to health insurance that was developed with the National Association of Insurance Commissioners as an additional resource for those who choose to remain in fee-for-service Medicare. The guide can be requested by calling 1-800-MEDICARE (1-800-633-4227).

We know that every beneficiary is different, has different health care needs, different information needs, and different insurance options.

Over the past year, we went out and listened to beneficiaries. We prepared for this fall's campaign last year by launching the beneficiary web site, www.medicare.gov; pilot testing *Medicare & You* and other information tools in five states; phasing in our new toll-free phone line, 1-800-MEDICARE (1-800-633-4227); and enlisting the help of about 200 national and local partner groups who have been increasing their activities to inform beneficiaries.

We conducted dozens of focus groups across the country. We reviewed the handbook with beneficiary advocacy groups, with provider groups and with Congress. We put it on our web site. We called the phone line ourselves and asked outside experts to call it. And we ask one out of every five callers to stay on the line a few more minutes to tell us how we're doing.

People found the handbook useful. More than eight in 10 callers said they were satisfied with the toll-free line. And the web site has received about 700,000 page views and good reviews.

Beneficiaries told us they like the information they are getting. They like having a wide range of options on how to get that information. They also made suggestions that we've used to improve our education materials.

Many beneficiaries kept the handbook for future reference but didn't read it cover to cover. So we put three pages of summary information right up front so they can readily see the newest changes to Medicare. More details are available in latter sections for beneficiaries to use and review when needed.

We're going to keep seeking comments and fine-tuning our efforts. This is the largest public education effort in the history of Medicare, maybe even the biggest peacetime education program ever by the federal government. We're doing it the right way, making sure that beneficiaries get the information they want, the way they want it. ♦

Medicare Selects Companies, Tasks for New Contractors to Further Reduce Waste, Fraud and Abuse

In May the Clinton Administration expanded its campaign against waste, fraud and abuse in the Medicare program. Following that move, the Health Care Financing Administration (HCFA) has named 12 businesses as the program's first-ever Medicare Integrity Program contractors. These businesses are devoted to protecting the Medicare Trust Fund.

These special contractors, which include technology and accounting businesses, have the expertise to conduct audits, medical reviews and other tasks to stop and prevent waste, fraud and abuse. Previously Medicare relied on private insurance companies that pay and process Medicare claims to perform program integrity tasks.

HCFA also released its first six assignments for the program integrity contractors, who must submit bids to perform specific tasks to prevent and reduce improper Medicare payments, including auditing cost reports for large national health-care chains and identifying areas to target for additional national provider education.

These tasks will supplement the program integrity work already being performed by Medicare contractors. HCFA will issue additional task orders in the future, and each company may receive some work over the next five years.

Hiring these special contractors is part of the Clinton Administration's overall strategy to ensure that Medicare pays claims appropriately and to root out fraud and abuse. These efforts, involving HCFA, the HHS Inspector General, the Department of Justice, and other federal, state and private partners, have contributed to a dramatic decline in improper Medicare payments and returned \$1.2 billion to the Medicare Trust Fund in the past two years.

According to annual audits by the HHS Inspector General, Medicare's improper payment rate fell 45 percent over the past two years, from 14 percent in fiscal year 1996 to 7.1 percent in fiscal year

Outreach, from page 1

Outreach	Explanation
Conference Reports	This section includes summaries and complete reports, where available, of various outreach conferences.
Official HCFA CHIP Guidance	Includes items such as Dear State Health Official letters, HCFA guides, manual issuances, official reports, surveys, studies, and related policy issuances.
Upcoming Events	This link provides interested parties the opportunity to submit information about future activities (e.g., conferences, training, campaign kick-off events, etc.)
HCFA Contacts	Includes a list of Regional Office and Central Office outreach contacts including phone numbers and E-mail addresses.

The new web site is continually evolving. As HCFA receives input and feedback, items and sections will be added, as necessary, in order to fulfill needs. For example, an eligibility simplification category will be added under "Effective Outreach Strategies" in the near future. It will include examples of simplified applications as well as other related information.

All states, HCFA partners and other interested parties are encouraged to share information on evolving and emerging outreach practices, successes as well as struggles, by utilizing the "Outreach Strategy Corner." In addition, HCFA will continue to facilitate the exchange of information on state outreach programs in a timely manner by publishing highlights in the "Effective Outreach Strategies" section. This medium will serve to provide all of us the opportunity to learn from each other, to further pursue effective ways of reaching challenging segments of the population, to resolve outreach problems, and to test successful strategies. ♦

Marge Sciulli and Chris Howe from HCFA's Center for Medicaid and State Operations as well as contact Tina Cheatham from the Dallas Regional Office contributed this article.

Calendar of Speaking Engagements

July 16	Deputy Administrator Michael Hash addresses the Mountain Allergy and Asthma Associates in Charlotte, N.C., on <i>Strategies for Inclusion of Asthma Education in the Medicare Program</i> .
July 19	Deputy Administrator Hash speaks at the HCFA PRO 6th Scope of Work Town Hall Meeting in Baltimore, Md., on <i>HCFA Programs</i> . Deputy Administrator Hash addresses the National Patient Advocate Foundation in Washington, D.C., on <i>Ambulatory Patient Charges Regulations and Mandated Self-Administerables</i> .
August 4	Deputy Administrator Hash speaks at the American Association of Health Plans and the American Diabetes Association in Washington, D.C. on <i>HCFA Programs</i> .

Henry D. Claypool Named Senior Advisor for Disability Policy

HCFA Administrator Nancy-Ann Min DeParle has appointed Henry D. Claypool to the new position of senior advisor for disability policy. As a senior advisor, he will help coordinate the Health Care Financing Administration's activities that assist disabled Medicare and Medicaid beneficiaries. "Henry will work closely with organizations representing people with disabilities to address the health-care issues that affect them greatly," DeParle said. "He also will make sure the voices of disabled persons — about 6 million under Medicaid and about 5 million in Medicare — are heard clearly in HCFA."

Claypool, as special assistant to Sue Swenson, Commissioner of the Administration on Developmental Disabilities, made recommendations relating to federal, state and local programs assisting individuals with disabilities, coordinated work between that agency and the Administration on Children and Families, and analyzed policy issues. He has also worked closely with the Departments of Education, Labor and Transportation. He has served as the director of disability services and as manager of support services for the disabled, including auxiliary aides, computer access and counseling, at the University of Colorado at Boulder. Claypool managed a home health agency in Boulder serving individuals with disabilities.

Claypool, who is disabled and has been a beneficiary of Medicare and Medicaid, brings a special understanding of the needs of disabled beneficiaries. He was the first national president of the Consortium for Developmental Disabilities Councils in 1994, and served as chairman of the Colorado Governor's Developmental Disabilities Council from 1993 to 1995. ♦

Contractors, from page 3

1998. The latest audit credits the improvement to the administration's anti-fraud and abuse efforts; HCFA's corrective action plan; and improved compliance by hospitals, doctors and other health-care providers. "We are making solid progress, and these new contractors will help us build on that progress," HCFA Administrator Nancy-Ann Min

DeParle said. "Medicare dollars must be spent on legitimate services for our more than 39 million beneficiaries. This new initiative will help us find and stop both honest errors and unscrupulous practices that harm Medicare."

Contractors will be chosen this summer for each of these tasks in the following table.

Task	Explanation
Conducting cost-report audits for large health-care chains	This task requires careful review of the way large chains allocate the costs of their home offices to ensure that Medicare pays those providers appropriately.
Preventing possible Year 2000 threats to program integrity	This task involves national data analysis to detect and prevent potential risks of fraud and abuse during the critical months surrounding the millennium change.
Conducting on-site reviews of Community Mental Health Centers (CMHCs)	Building on HCFA's ongoing CMHC initiative, these reviews require qualified mental health professionals to conduct unannounced visits to CMHCs to ensure that they provide the services required by law and meet all other applicable federal and state requirements.
Identifying effective areas to target for national provider education	This task requires analysis of data and trends, surveys of health-care providers, and other research to develop an educational plan. If HCFA accepts the proposal, the contractor could be asked to carry out the education campaign.
Performing data analysis and other activities to support the fraud units in New England	This work will support the efforts of the relatively small fraud units at New England's Part A Medicare contractors, which will continue their current workload and staffing levels. The contractors will analyze regional data and develop fraud cases.
Ensure that providers comply with settlement agreements with the Office of Inspector General	This work involves on-site reviews of providers with corporate integrity agreements to ensure they meet the terms and follow proper procedures.

Selected companies that will perform program integrity tasks include: Aspen Systems, Rockville, Md.; Blue Cross/Blue Shield of Alabama, Birmingham; Computer Sciences Corp., Falls Church, Va.; California Medical Review, San Francisco; DYN Corp., Reston, Va.; Electronic Data Systems, Plano, Texas; Lifecare Management Partners, Inc., Alexandria, Va.; Reliance Safeguard Solutions, Inc., Syracuse, N.Y.; Regence Blue Cross/Blue Shield of Utah, Salt Lake City; Science Applications International Corp., Vienna, Va.; Tri-Centurion, L.L.C., Columbia, S.C., and United Government Services, Milwaukee, Wisc. ♦

Education, from page 1

which reached nearly 50,000 physicians and other health-care professionals. HCFA is expanding those efforts nationally to teach providers more about Medicare coverage, claims procedures, and prevention efforts to reduce waste, fraud and abuse. This approach helps Medicare providers and beneficiaries avoid potential problems before they occur.

The free computer-training modules will allow physicians and other providers to test and strengthen their understanding of topics such as filing Medicare claims, coding claims correctly, and providing Medicare's home health benefit. During the pilot project, users showed significant improvement in their knowledge as measured by tests taken before and after each course.

The campaign also includes a training program for new physicians while they are still medical residents, and a series of national satellite broadcasts, which hospitals, medical schools and other institutions can access, that explain Medicare benefits, coverage and billing procedures.

The national education campaign is part of HCFA's ongoing efforts to strengthen its partnership with the physicians who care for the elderly and disabled Americans covered by Medicare. HCFA relies on physicians to help develop policy and clarify Medicare's rules and procedures.

Physicians are already playing an important role in improving the accuracy of Medicare payment by making sure claims are filed and documented properly. According to the HHS Inspector General's audits, Medicare's improper payment rate fell 45 percent over the past two years, from 14 percent in fiscal year 1996 to 7.1 percent in fiscal year 1998. The Inspector General credits the reduction in part to improved compliance by doctors, hospitals and other health-care providers.

"We already have hard evidence that physicians can help us do our job better," DeParle said. "There's still a long way to go, but our success so far is in no small measure due to physicians doing a better job of documenting care and filing claims right."

HCFA shortly will select one of its 12 new Medicare Integrity Program contrac-

Selected Health Issues on the Web

<http://www.gao.gov/new.items/he99092.pdf>

Medicare Choice Testimony

The Government Accounting Office, a resource of Congress, submitted testimony as a report entitled, *Medicare Choice: New Standards Could Improve Accuracy and Usefulness of Plan Literature*, HEHS-99-92, 25pp. plus 2 appendices (8pp.) April 12, 1999. You can find the report at the URL above in Portable Document File (PDF) format. Any individual report may be retrieved directly from the archive in text and PDF formats with the following URL: <http://www.gao.gov/cgi-bin/getrpt?rptno>, replacing rptno with the report number. In the case of this report you would replace rptno with HEHS-99-92.

<http://www.bog.frb.fed.us/pubs/feds/1999/199918/199916abs.html>

The Geography of Medicare

by Louise Sheiner and David Cutler, 1999-18

There is a great deal of geographic variation in Medicare spending. For example, while the average Medicare cost per beneficiary was around \$5,200 in 1996, Medicare spending, adjusted for differences in regional prices and demographic composition, was about \$8,000 per person in Miami but only \$3,500 in Minneapolis. This site contains the full text of the subject payer in Portable Document File format.

<http://www.nejm.org/content/1999/0340/0021/toc.asp>

The New England Journal of Medicine Table of Contents for Volume 340, Number 21: May 27, 1999

See the abstract to the special article entitled, *The Association Between Hospital Volume and Survival after Acute Myocardial Infarction in Elderly Patients*. There is also an editorial on the subject by Edward L. Hannan, Ph.D. from the University of Albany School of Public Health in Rennselaer, New York. ♦

tors to identify additional areas to focus Medicare's national provider education efforts. The task, which will involve data analysis, surveys of health-care providers, and other research, is one of the first six assignments for this new type of contractor devoted to protecting the Medicare Trust Fund. ♦

To get more information about HCFA's free computer courses and satellite broadcasts, visit the

"Learning Resources" section of the Agency's web site. The address is <http://www.hcfa.gov/learning/default.htm>.

New Regulations/Notices

Medicare Program; Procedures for Making National Coverage Decisions [HCFA-3432-GN] — Published 4/27.

This notice announced the process HCFA will use to make a national coverage decision for a specific item or service under sections 1862 and 1871 of the Social Security Act. This notice will streamline HCFA's decisionmaking process and will increase the opportunities for public participation in making national coverage decisions. Effective date of this notice was June 29, 1999.

Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 2000 Rates [HCFA-1053-P] — Published 5/7.

HCFA is proposing to revise the Medicare hospital inpatient prospective payment systems for operating costs and capital-related costs to implement changes arising from HCFA's continuing experience with the systems. In addition, in the addendum to this proposed rule, HCFA is describing proposed changes in the amounts and factors necessary to determine rates for Medicare hospital inpatient services for operating costs and capital-related costs. These changes would be applicable to discharges occurring on or after October 1, 1999. HCFA is also setting forth proposed rate-of-increase limits as well as proposed policy changes for hospitals and hospital units excluded from the prospective payment systems. Finally,

HCFA is proposing changes to the policies governing payment to hospitals for the direct costs of graduate medical education. Comments were considered if they were received no later than July 6, 1999.

Medicare and Medicaid Programs; Effective Dates of Provider Agreements and Supplier Approvals; Correction [HCFA-3139-F] — Published 5/10.

This document restores regulations that HCFA inadvertently removed when it published a final rule concerning effective dates for provider agreements and supplier approvals. These regulations were published in the August 18, 1997 issue of the *Federal Register* (62 FR 43931). Effective date of this correction was September 17, 1997.

Medicare and Medicaid Programs; Quarterly Listing of Program Issuances — Third Quarter, 1998 [HCFA-9000-N] — Published 5/11.

This notice lists HCFA manual instructions, substantive and interpretive regulations, and other *Federal Register* notices that were published during July, August, and September of 1998, relating to the Medicare and Medicaid programs. This notice also identifies certain devices with investigational device exemption numbers approved by the Food and Drug Administration that may be potentially covered under Medicare.

Medicare Program; Revisions to Payment Policies and Adjustments to the Relative Value Units Under the Physician Fee Schedule for Calendar Year 1999; Correction [HCFA-1006-CN] — Published 5/12.

This document corrects technical errors that appeared in the final rule with comment period published in the *Federal Register* on November 2, 1998, entitled, "Medicare Program; Revisions to Payment Policies and Adjustments to the Relative Value Units Under the Physician Fee Schedule for Calendar Year 1999." Effective date of this change notice was January 1, 1999. ♦

*If you're interested in obtaining the National Association of Insurance Commissioners and HCFA's new guide on fee-for-service Medicare, call
1-800-MEDICARE
(1-800-633-4227).*



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